

# RESPONSIBLE SOURCING OF MINERALS/SUBSTANCES AND RAW MATERIALS

## INTRODUCTION

This Policy on Responsible Sourcing of Minerals/Substances/ Raw Materials has been implemented to guide the Vibracoustic Group ("VC").

In 2010 the [United States](#) Congress enacted the so called "Conflict Minerals" provisions of the Dodd-Frank-Wall Street Reform and Consumer Protection Act ("[Dodd-Frank Act](#)") targeting at the elimination of the illegal trade of gold, tin, tantalum and tungsten ("[3TGs](#)") and so cutting the funding of the armed groups in the Democratic Republic of Congo ("[DRC](#)") and its neighboring countries, also called the Conflict Region. Section 1502 of the Dodd-Frank Act requires companies [that are regulated by the US Securities and Exchange Commission](#) ("[SEC](#)") to report to the [SEC](#) whether any of the "Conflict Minerals" in their products originate from the Conflict Region.

With a similar objective, the European Union [published its EU Regulation 2017/821](#) that widens the geographic scope to conflict-affected and high-risk areas ("[CAHRAs](#)") anywhere in the world.

Additionally, in early 2016, an influential report was published by Amnesty International describing human rights violations associated with DRC cobalt mining. Since that time, the focus on responsible cobalt sourcing has steadily increased, and many relevant companies are starting to broaden their policies to address responsible sourcing of other minerals, such as cobalt.

VC has defined standards of business conduct and legal compliance containing standards of human rights, anti-corruption and environmental protection, being also extended to our business partners, suppliers and subcontractors.

In order to comply with the provisions of the Dodd-Frank-Act, the European regulations, and VC's standards of ethics, VC is reviewing its sourcing supply chain and set up this [Responsible Sourcing of Minerals Global Policy](#) that includes not only 3TGs, but also cobalt and any other mineral related to responsible sourcing, human rights and other supply chain matters.

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**RESPONSIBLE SOURCING OF**  
**MINERALS/SUBSTANCES AND RAW MATERIALS**



1	22/04/2022	Material Compliance	1/Title  1/Introduction 4/1. Purpose 4/2.Scope 4/3. Abbreviations 6. 4.1 IMDS/CAMDS 6/ 4.2 CM and Cobalt 6/4.3 Supply Chain Due Diligence 7/ 6. Appendix/ Enclosures 8/ 7. Further document	Responsible Sourcing of Minerals/Substances/Raw Materials and Material Compliance with legal and Customer specific Requirements Completely reworked Completely reworked Wording updated More abbreviations added added Content removed Removed  Reworked and updated Updated EMRT added
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Changes related to the latest revision will be identified in blue.

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This document is valid without signatures.

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## **1. PURPOSE**

This [Global Policy](#) provides detailed guidance regarding the trade of natural resources all along the supply chain and our commitments with respect to a “conflict free”, [Sustainability](#), [human rights](#), [child labor](#), [environmental protection](#) sourcing.

The expectation [to our suppliers](#) is they will adopt these policies and will [ensure they are implemented at their sub-suppliers](#) thus creating an ethos of pro-active ethical activity [throughout the supply chain](#).

VC wants to ensure that suppliers structure their product compliance reporting processes as CMRT, CRT, or CAMDS and IMDS in such a way, so that it is in line with VC quality requirements and data can be utilized to verify relevant legal and customer specific compliance requirements.

## **2. SCOPE**

This document applies to all [suppliers and their respective](#) products, compounds and raw materials sourced by VC and also applies to all companies and sites of Vibracoustic facilities worldwide.

For sites and locations based in non-English speaking countries, this procedure as well as the attachments can respectively have to be translated into the local language for use. The local language and English language are to be side by side on the same local procedure.

Reference to this Global Policy and conventions defined in this Global Policy are to be maintained. Each translation of the Global Procedure is to be done by the site.

This Policy is for external use.

### **3. TERMS / DEFINITIONS / ABBREVIATIONS**

**AIAG:** Automotive Industry Action Group ([www.aiag.org/conflictminerals](http://www.aiag.org/conflictminerals))

**CFS:** Conflict Free Smelter, a smelter that has been verified by an independent third-party auditor as "conflict-free"

**CMRT:** Conflict Minerals Reporting Template, an excel based file being the common reporting tool for suppliers to survey their 3TG supply base for smelter information.

**Conflict Minerals or 3TG:** tin, tantalum, tungsten or gold in any form and sourced from any location on earth.

**Conflict Region (Covered Countries or DRC Region):** Democratic Republic of the Congo and adjoined countries (Congo Republic, Central Africa Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and/or Angola)

**Dodd-Frank Act:** Dodd-Frank- Wall Street Reform and Consumer Protection Act, US legislation governing the trade of Conflict Minerals

**DRC:** Democratic Republic of Congo

**IMDS:** International Material Data Base

**RCOI:** Reasonable Country of Origin

**OECD:** Organization for Economic Co-operation and Development ([www.oecd.org](http://www.oecd.org))

**SEC:** U.S. Securities and Exchange Commission; US panel responsible for the Dodd-Frank Act

**RMI:** Responsible Minerals Initiative

**CAHRAs:** Conflict-affected and high-risk areas

**EMRT:** Cobalt Reporting Template, an excel based file being the common reporting tool for suppliers to survey their cobalt supply base for smelter information.

**CAMDS:** China Automotive Data System

**CSR:** Customer Specific Requirements

**MDS:** Material Data Sheets

**PPAP:** Production Part Approval Process

**REC:** IMDS Rules and Recommendations

**SVHC:** Substances of Very High Concern

**SCIP:** Data System for SVHC in articles as such or in complex products according to EU Waste Framework Directive

**VDA:** Verein der Deutschen Automobilindustrie (German Association of the Automotive Industry)

**ELV Directive:** End of Life vehicle directive

## **4. PROCESS / METHOD / PROCEDURE**

### **4.1 IMDS/CAMDS Commitments**

VC in fulfilling its own ethical standards and the requirements of Automotive industry, CSR or other stakeholders in terms of recycling and ELV Directive makes the following commitments:

- ▼ This standard functions to achieve efficient, timely, current, and accurate reporting and management of product compliance data. VC wants to ensure that suppliers structure their product compliance reporting processes in such a way, so that it is in line with VC quality requirements and data can be utilized to verify relevant legal and customer specific compliance requirements.
- ▼ We require our suppliers to submit MDS in IMDS and/or CAMDS system as a part of the VC supplier PPAP and as it is described in our VC standard contracts, it is compulsory for the supplier to provide IMDS and/or CAMDS reporting timely and free of charge.

### **4.2 Conflict Minerals, Mica and Cobalt Commitments**

VC in fulfilling its own ethical standards and the requirements of the Dodd-Frank-Act as well as the EU Regulation 2017/821 makes the following commitments:

- ▼ We support the target of the US legislation and the EU legislation and prohibit the abuse of human rights, associated with the extraction and trade of minerals and do neither directly nor indirectly support the armed forces that illegally control mines and/or logistic routes or any other kind of human rights abuse like forced labor or child labor.
- ▼ We require all our suppliers to agree and implement the same principles and standards of ethics as VC and cooperate with us in improving traceability and transparency in sourcing.
- ▼ We require our suppliers to assure that the metals/minerals are sourced only from mines and smelters outside the "Conflict-affected and high-risk areas ("CAHRAs") or mines and smelters which have been certified as "conflict free" by an independent third party, if sourced within the "CAHRAs"
- ▼ We require our suppliers to identify any minerals defined as "Conflict Minerals" under the scope of the Dodd-Frank-Act, the EU Regulation 2017/821 or required by other stakeholders and request the respective necessary information on it from our suppliers by using the international conflict minerals reporting template ("CMRT") or the extended minerals reporting template ("EMRT") in the case of cobalt and mica, developed by RMI (Responsible Minerals Initiative). We also especially direct our suppliers to instruct have their downstream suppliers to complete the CMRT and/or the EMRT until the smelter is identified. The completed documents must be submitted annually, latest 31.12.

**5. APPENDIX / ENCLOSURES**

Additional information, notes, examples and forms which have to be used can be listed in the appendix.

No.	Type of Document	Title/Description	Enclosure
1	Global Procedure	Legal Compliance	GP-01-10-0024
2	Global Procedure	QA Measures for Procurement of Purchased Parts	GP-01-7.4-0007

**6. FURTHER REFERENCE DOCUMENTS**

- ▼ Conflict Minerals Reporting Template: <http://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/>
- ▼ EMRT: Extended Minerals Reporting Template (<https://www.responsiblemineralsinitiative.org/reporting-templates/emrt/>)

**7. DOCUMENTATION**

VC will keep this procedure on file.

In case of a revision the latest edition will be kept for at least 3 years after revision.